



HoodCanal
COMMUNICATIONS

Cable TV - Voice - Broadband - Computer Repair

June 28, 2016

To: Commission Secretary, Office of Secretary
Federal Communications Commission
445 - 12th Street, SW
Room TW-A325
Washington, DC 20554

Reference: WC Docket No. 14-58

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

Reference: Docket UT-160030

Re: 47 CFR § 54.313 and 47 CFR § 54.422
Annual Reporting Requirements for High-Cost Recipients and Lifeline Program
Annual Certification Filing
Hood Canal Telephone Co., Inc.
PO Box 249
Union, Washington 98592
Study Area Code 522419

Hood Canal Telephone Co., Inc., SAC 522419, ("Company") hereby submits to the Federal Communications Commission ("FCC") and Washington Utilities and Transportation Commission ("Commission") as required by 47 CFR § 54.313 and 47 CFR § 54.422 the attached FCC Form 481. The FCC Form 481 has been electronically submitted to the Universal Administration Company ("USAC") prior to the deadline of July 1, 2016.

FCC Form 481 provided by USAC being used for this filing does not have a native format available, therefore only a pdf copy is being submitted.

HOOD CANAL TELEPHONE CO., INC.

By: Richard Buechel
Richard Buechel
President

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Richard Buechel
<035>	Contact Telephone Number: Number of the person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	rbuechel@hcc.net
	Form Type	54.313 and 54.422

**(100) Service Quality Improvement Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> (yes) <input checked="" type="radio"/> (no)
<111>	If your answer to Line <110> is yes, do you have an existing \$54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> (yes) <input type="radio"/> (no)

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing \$ 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

522419wa112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable

HOOD CANAL TELEPHONE CO., INC.
SAC 522419
PROGRESS REPORT JANUARY 1 TO DECEMBER 31, 2015

Hood Canal Telephone Co., Inc. ("Hood Canal") is a rural incumbent local exchange carrier located in the western part of the state of Washington. Hood Canal's study area consists of one exchange, Union, and serves 16 square miles and has 837 working loops as of December 31, 2015. Within Hood Canal's study area 95% of the subscribers have the capability of broadband speeds in excess of the 10 Mbps download and 1 Mbps upload standard established in FCC 47 CFR 54.313 (f)(1)(i).

There are five areas in Hood Canal's serving area (see Exhibit C marked as A, B, C, D and E) that are only capable of broadband speeds of 6 Mbps download and 1 Mbps upload that utilize the DSL platform for 43 customers. Hood Canal is currently constructing facilities for the area marked as C to upgrade 10 DSL and 2 new customer locations. For the areas marked A, B and E covering 51 customers (32 DSL and 19 new locations), Hood Canal is in the engineering and design phase for upgrading telecommunications plant. The remaining area marked as D has extreme terrain issues and no construction solution has been formalized to date. This area only has one customer on DSL. The customer has not requested an upgrade to their service.

Exhibit A reflects Hood Canal's estimated Universal Service Fund ("USF") support amounts that will be received and Hood Canal's plant investment additions and expenses for January 1 to December 31, 2015. Exhibit B sets out Hood Canal's initial proposed plant additions for 2015 compared to actual plant additions for January 1 to December 31, 2015.

As set out on Exhibit B, Hood Canal's major plant improvement is to begin deploying fiber-to-the-home in its serving area over the five year period 2015-2019. The projected plant additions are estimated to cost approximately \$845,000 over the five years and will benefit all subscribers within Hood Canal's serving area.

Hood Canal sells DSL to its Internet Service Provider ("ISP"), a division of Hood Canal, and provides the transport to the exchange boundary for the ISP as well. See Section 700 of the FCC Form 481 displaying the retail pricing of broadband services. The ISP provides both DSL and cable modem options to its customers. As of December 31, 2015, there were 72 DSL customers, 9 Fiber-to-the-Home customers and 839 cable modem broadband customers. A wire center map of Hood Canal's exchange showing broadband speed capabilities is reflected on Exhibit C.

As they are known to Hood Canal at the date of this report, other than the projects described on Exhibit B, the planned investment and expenses for the period presented in Exhibit A, that Hood Canal expects to use as basis to request federal high-cost support are expected to be approximately the same as initially projected, taking in account normal fluctuations in investments and expense levels. For 2016, Hood Canal expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2015, subject to the effects of inflation, other commonly experienced changes in cost of labor and materials, and depreciation on investment placed in service. Hood Canal does not anticipate major adjustments in staffing levels for 2016.

Through the expenditure of the USF support received, Hood Canal will be able to continue to provide services at a level that Hood Canal believes meets the intent set forth in 47 U.S.C. 254 of providing quality telecommunications services to customers in the service area for which Hood Canal is designated as an ETC. Hood Canal has made substantial investments over the past several years which allow it to provide quality telecommunications services to its customers in its designated ETC service area. Those expenditures and investments generally benefit all customers receiving the federal high-cost fund support services from Hood Canal within its designated ETC service area. By expanding its network over the past several years, Hood Canal is capable of providing access to broadband services throughout all of Hood Canal's designated ETC service area. Hood Canal offers services that are comparable to services offered in urban areas at rates that are comparable to rates for such services in urban areas.

EXHIBIT A

HOOD CANAL TELEPHONE CO., INC.

SAC 522419

PROGRESS REPORT JANUARY 1 TO DECEMBER 31, 2015

ANNUAL UNIVERSAL SERVICE SUPPORT, PLANT INVESTMENT AND EXPENDITURES

Description	Initial	Progress Report
	2015	January 1 to
	Filing	December 31, 2015
Federal Universal Service Support		
High Cost Loop Support	\$ 404,000	\$ 355,443
Connect America Fund Support	131,000	167,814
Interstate Common Line Support	312,000	439,680
Total Support to be Received	\$ 847,000	\$ 962,937

Expenditures for Provision, Maintenance and Upgrading of Facilities and Services Supported By**Federal Universal Service Funding:****Plant Specific and Non-Specific Operations Expenses**

Network support	\$ 157,500	\$ 283,972
General support	242,000	271,564
Central office	294,700	253,958
Cable and wire facilities	142,700	128,658
Network operations	145,400	120,558
Depreciation and amortization	321,500	185,837

Customer Operations Expenses

Customer services	317,100	380,389
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Corporate Operations Expenses

Executive and planning	301,500	297,078
General and administrative	390,300	443,008

Total Years Supported Expenses, Before Return on Investment	2,312,700	2,365,022
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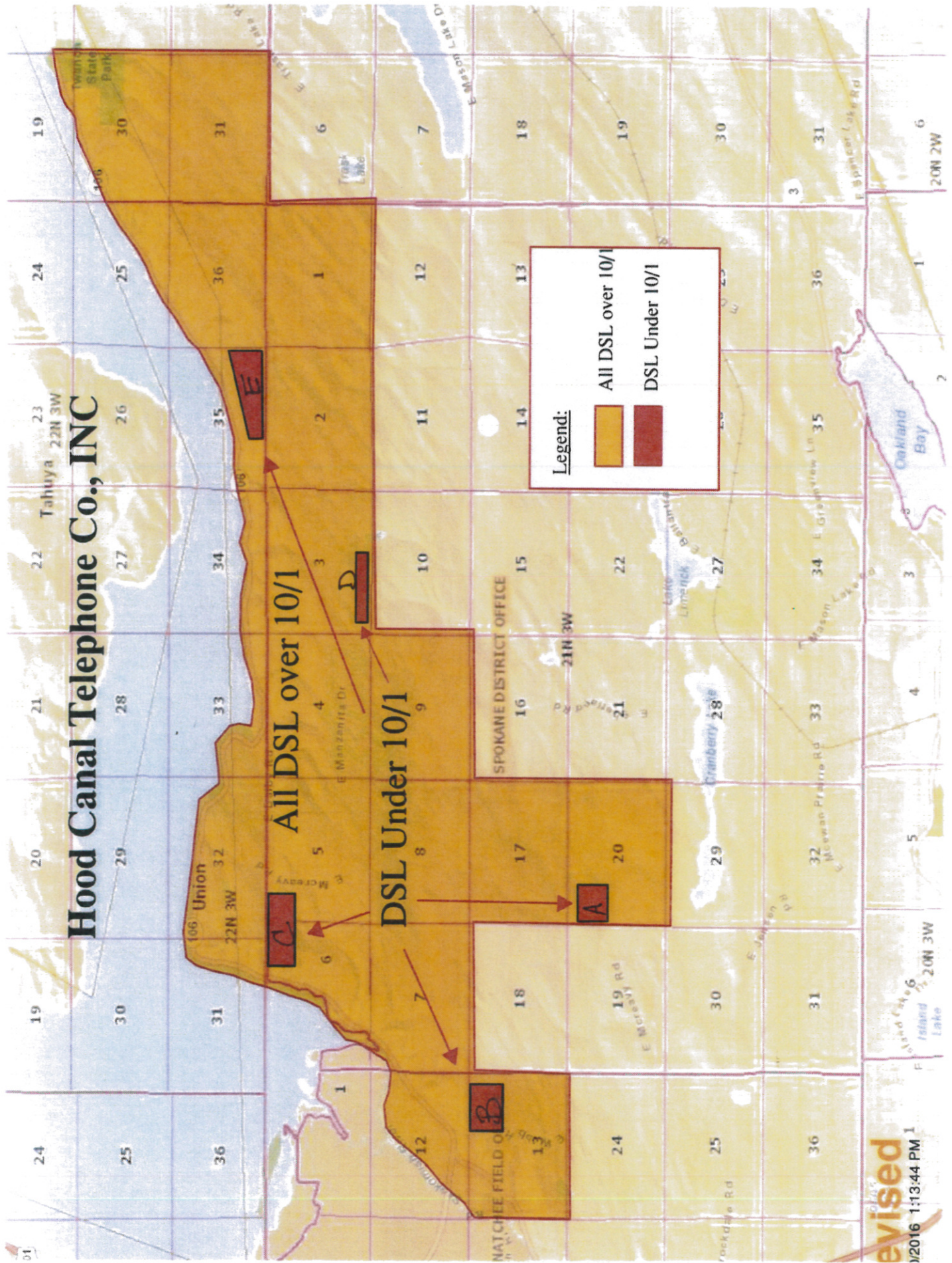
Plant Additions

General support assets	106,000	85,264
Central office switching equipment	15,000	0
Central office transmission equipment	40,000	4,765
Buried fiber cable	189,000	318,207
Total Plant Additions	350,000	408,236

Total Supported Expenditures, Before Return on Investment	\$ 2,662,700	\$ 2,773,258
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EXHIBIT B
HOOD CANAL TELEPHONE CO., INC.
SAC 522419
PROGRESS REPORT JANUARY 1 TO DECEMBER 31, 2015
COMPARE INITIAL 2015 FILING VERSUS ANNUAL PLANT IMPROVEMENTS FOR 2015

Exchange	Location	Subscribers	Description of Improvement	Year	Initial 2015 Filing of Planned Capital Expenditures	Capital Expenditures January 1 to December 31, 2015
Union	All	All	Computers	2015	\$ 6,000	\$ 45,423
Union	All	All	Other Work Equipment	2015	100,000	39,841
Union	All	All	Central Office Switching & Power upgrades	2015	15,000	
Union	All	All	Mapping system	2015		73,541
Union	All	All	DSL Equipment	2015		4,765
Union	X5, X4 Twanoha/106	100	Electronics Fiber-to-the-Home	2015	40,000	
Union	X5, X4 Twanoha/106	100	Fiber cable to replace copper cable	2015	60,000	
Union	All	All	Fiber cable BF0144 - Interexchange route	2015		92,831
Union	All	10	Buried Fiber Cable Drops	2015		13,955
Union	X5, X4 Twanoha/106/Jenn's Way	100	OSP Fiber-to-the-Home	2015	129,000	137,880
Total Plant Additions 2015					\$ 350,000	\$ 408,236



FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
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<210> For the prior calendar year, were there any reportable voice service outages?

[illegible]

**(300) Unfulfilled Service Request
Data Collection Form**

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<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

<300> Unfulfilled service request (voice)	0
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<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers
Data Collection Form

FCC Form 481
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<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@bcc.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Richard Bueche1
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbueche1@hcc.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	522419wa510.pdf

Line 510

**Processes and Procedures to Ensure Compliance with Service Quality Standards
and Consumer Protection Rules
Per FCC Form 481 Instructions**

This document details the processes and procedures that Hood Canal Telephone Co., Inc. ("Hood Canal") follows to ensure compliance with service quality standards and consumer protection rules as laid out in FCC Form 481 Instructions.

For service quality standards that are affected by plant issues, Hood Canal engineers and installs its plant and other facilities in such a way as to ensure, to the greatest extent possible, compliance with service quality standards that exist at the time that the plant and facilities are constructed.

In addition, employees are periodically briefed on service quality standards and consumer protection issues. In particular, if any set of issues appear to be prevalent, employees are given briefings on how to handle such issues. A recent example is the call completion problems that have arisen and the customer calls that are generated as a result. Although this is not a service quality problem caused by Hood Canal, it does affect customers of Hood Canal and, therefore, deserves the attention of Hood Canal employees.

Hood Canal also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and that the operating procedures are not in violation of consumer protection rules. If questions arise, legal counsel is sought as needed.

If complaints are filed with Hood Canal related to service quality standards or consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made. It should be noted that Hood Canal has received no customer complaints in the past five years regarding service quality standards or consumer protection rules as they relate to the service offered by Hood Canal other than call completion issues, which, as noted above, are not caused by Hood Canal.

**(600) Functionality in Emergency Situations
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	522419
<015> Study Area Name	HQCD CANAL TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035> Contact Telephone Number - Number of person identified in data line <030>	3609982481 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	522419wa610.pdf

LINE 610
STATEMENT DEMONSTRATING FUNCTIONALITY
IN EMERGENCY SITUATIONS

At line 600 of FCC Form 481, Hood Canal Telephone Co., Inc. ("Hood Canal") certified that it is able to function in emergency situations as set forth in 47 C.F.R § 54.202(a)(2). This means that Hood Canal has reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations. This statement will detail how Hood Canal is prepared to ensure continued service in an emergency situation.

Hood Canal has a back-up generator available with a minimum of an eight hour power supply for its central office. In addition, it has portable generators available for remote sites.

Hood Canal has route redundancy for long distance service, E-911 trunking and SS7 signaling trunking.

Hood Canal's outside plant is designed, engineered and built with sufficient capacity to handle traffic spikes resulting from emergency situations and has been able to do so in the past. Hood Canal is in an area where severe weather strikes periodically and has been able to handle communication needs at those times and has the experience from those situations to be able handle such emergency situations in the future.

In the case of isolated groups of customers that may suffer damage due to a cable cut, Hood Canal maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. Hood Canal's emergency service equipment is located within its exchange and requires very little time to dispatch.

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<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net
<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

[illegible]

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
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July 2013

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<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net
<900>	Does the filing entity offer tribal land services? (Y/N)	No

<910>	Tribal Land(s) on which ETC Serves	
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<920>	Tribal Government Engagement Obligation	
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Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

Select Yes or No or Not Applicable

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

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<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1020> Broadband comparability certification

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

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<010>	Study Area Code	522419
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<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers		FCC Form 481
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Data Collection Form		July 2013

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<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

PUBLIC NOTICES

PUBLIC NOTICE

Advertisement HOOD CANAL COMMUNICATIONS Hood Canal Communications has been the local telecommunications company serving the Union, Washington area since 1934. Since its inception, the company has been dedicated to developing and operating a modern, state-of-the-art communications network that provides high quality customer services and products at reasonable rates. The company has accomplished these objectives, notwithstanding the higher costs of serving rural areas in the State of Washington and when few, if any, other telephone companies were interested in serving our communities. It has served, and intends to continue to serve both residential and business customers in our service area with high quality telecommunications services at rates that are competitive and affordable. In addition to our basic telephone services, Hood Canal Communications offers advanced telecommunications services to its rural communities, including broadband services, special calling features and voice mail service. Such basic services are comprised of several components, which at a minimum include: Services Offered Single-party, voice grade access to the public switched network, including an unlimited amount of local calling Monthly Charge* Residence \$16.00** Business \$19.50** Touch calling (dual tone multi-frequency signaling, of its functional equivalent) Charge* There is no charge by Hood Canal Communications for this capability. Access to operator services There is no additional charge by Hood Canal Communications to end user customers for the ability to call the operator. However, the call may involve a charge depending on the service requested and the rates of the company whose operator handled the call. Access to Emergency 911 service There is no additional charge by Hood Canal Communications to end user customers for the ability to access Emergency 911 service.*** Access to Directory Assistance There is no additional charge by Hood Canal Communications to end user customers for the ability to call Directory Assistance. However, the call may involve a Directory Assistance charge, the amount of which depends on the area called and the rates of the company whose operator provided the directory information. Access to interexchange (long distance) service provider(s) There is no additional charge by Hood Canal Communications to end user customers for the ability to place and receive toll calls through long distance networks of long distance carriers that offer service through the company's local network. However, toll calls may involve a charge from the long distance carrier depending on the type of call. Toll limitation service for qualifying low-income customers There is no additional charge by Hood Canal Communications to qualifying low-income customers for toll blocking service. Qualifying low-income customers are generally participating in the Lifeline program.

Affidavit of Publication

STATE OF WASHINGTON }
COUNTY OF MASON } SS.

David Pierik, being first duly sworn on oath deposes and says that he is the **Clerk** of the SHELTON-MASON COUNTY JOURNAL, a weekly newspaper. That said newspaper is a legal newspaper and it is now and has been for more than six months prior to the date of the publication hereinafter referred to, published in the English language continuously as a weekly newspaper in SHELTON, Mason County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the said SHELTON-MASON COUNTY JOURNAL was on the 9th day of August, 1941, approved as a legal newspaper by the Superior Court of said Mason County.

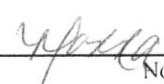
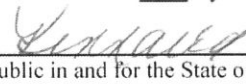
That the annexed is a true copy of a **Public Notice**

HCC Rates and Services for 2016

8387—Hood Canal Communications

as it was published in regular issues and not in supplement form of said newspaper once each week for a period of **One** week, commencing on the **24th** day of **December, 2015** and ending on the **24th** day of **December 2015**, both dates inclusive, and that such newspaper was regularly distributed to its subscribers during all of the said period. That the full amount of the fee charged for the foregoing publication is the sum of \$ **293.62**

Subscribed and sworn to before me this **24th** day of **December, 2015**

 
Notary Public in and for the State of Washington
Residing at Shelton, Washington

My commission expires **March 14, 2016**.

involve a charge from the long distance carrier, depending on the type of call. Toll limitation service for qualifying low-income customers. There is no additional charge by Hood Canal Communications to qualifying low-income customers for toll blocking service. Qualifying low-income customers are generally participating in the Lifeline program. *The charges set forth are subject to change and in some instances are subject to change without notice. Certain non-recurring charges may also apply to installation or change of service. **In addition to these charges, a Federally-mandated end user surcharge and other Federal, state and county taxes and surcharges apply. ***Discounts off of this rate are available to qualifying low-income customers. ****State and county taxes apply (currently \$0.95 per line, per month) to fund the provision of this capability. Hood Canal Communications participates in the Federal Lifeline and Link-Up Programs, as well as the Washington Telephone Assistance Program ("WTAP"). Under these programs, Hood Canal Communications offers to qualifying low-income customers a discount off the monthly rate for basic residential exchange service. Hood Canal Communications current discounted monthly rate for Lifeline residential service is \$6.75 and is subject to the standard subscriber line charge. These services are available to all qualifying customers of Hood Canal Communications. The charges associated with these services are reflected each month on the regular telephone bill along with other charges for services provided by the company. Other telecommunications services are available by contacting the Hood Canal Communications Business Office at (360) 898-2481 or 1-800-356-9989 if calling from outside the company's local calling area.

HOOD CANAL TELEPHONE CO., INC.
522419

Line 1222 Details on the number of minutes provided as part of the plan.

Hood Canal only provides its lifeline customers a flat rate local service. There is no measured local service provided, so the number of minutes provided is not necessary.

Line 1223 Additional charges for toll calls, and rates for each such plan.

Hood Canal does provide access to toll service providers to its lifeline customers. The lifeline customer has to choose its own toll service provider, so no additional charges are noted or required by Hood Canal.

(2000) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

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<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support

<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support

<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2024A> Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2025A> Round 1 or Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing Required Information

Name of Attached Document Listing Required Information

(2000) Price Cap Carrier Additional Documentation (Continued)

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	Yes - Attach Certification
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Yes - Attach New Community Anchors
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No) <input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No) <input checked="" type="radio"/> <input type="radio"/>
	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:	
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input checked="" type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No) <input type="radio"/> <input type="radio"/>
	If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	
(3019)	Either a copy of their audited financial statement; or	<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.	<input type="checkbox"/>
	If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.	<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information

(3005) Rate Of Return Carrier Additional Documentation (Continued)

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbueche1@hcc.net

Financial Data Summary

(3027) Revenue	2032960
(3028) Operating Expenses	3153047
(3029) Net Income	726917
(3030) Telephone Plant In Service(TPIS)	7577200
(3031) Total Assets	8215255
(3032) Total Debt	1763564
(3033) Total Equity	5198684
(3034) Dividends	424295

Name of Attached Document Listing Required Information



HoodCanal
COMMUNICATIONS

Cable TV - Voice - Broadband - Computer Repair

July 1, 2016

To: Commission Secretary, Office of Secretary
Federal Communications Commission
445 – 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: FCC Form 481
47 CFR 54.313(f)(1)(i)
Milestone Certification
Hood Canal Telephone Co., Inc.
Union, Washington
Study Area Code 522419

Hood Canal Telephone Co., Inc., SAC 522419, hereby certifies as required by 47 CFR 54.313 (f)(1)(i) for the FCC Form 481 program year 2017 that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such services are met within a reasonable amount of time.

By: Richard Buechel
Richard Buechel
President

HOOD CANAL TELEPHONE CO., INC.
NEW COMMUNITY ANCHOR INSTITUTIONS IN STUDY AREA 52219
LINE 3012b

	Name	Address1	Address2
1	OUR COMMUNITY CREDIT UNION	320 DALBY RD, SUITE A	UNION, WA 98592

<p style="text-align: center;">USDA-RUS</p> <p style="text-align: center;">OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p><i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i></p> <p>BORROWER NAME</p> <p style="text-align: center;">Hood Canal Telephone Co., Inc.</p> <p style="text-align: center;">(Prepared with Audited Data)</p>
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<p><i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i></p>	<p>PERIOD ENDING December, 2015</p>	<p>BORROWER DESIGNATION WA0541</p>
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<p style="text-align: center;">CERTIFICATION</p> <p><i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i></p> <p>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</p> <p style="text-align: center;">DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</p> <p style="text-align: center;"><i>(Check one of the following)</i></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.</p> </div> <div style="width: 45%;"> <p><input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report</p> </div> </div> <p style="text-align: center; margin-top: 20px;">DATE _____</p>
--

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	755,017	834,550	25. Accounts Payable	201,450	315,681
2. Cash-RUS Construction Fund	0	0	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits	65,671	69,265
b. Other Accounts Receivable	97,315	92,007	29. Current Mat. L/T Debt	265,000	275,300
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	403,030	352,376	32. Income Taxes Accrued		
b. Other Accounts Receivable	0		33. Other Taxes Accrued	61,503	92,725
c. Notes Receivable	9,600	9,800	34. Other Current Liabilities	516,546	544,396
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,110,170	1,297,367
6. Material-Regulated	150,988	199,209	LONG-TERM DEBT		
7. Material-Nonregulated	350,590	199,487	36. Funded Debt-RUS Notes	1,187,879	1,054,853
8. Prepayments	97,785	114,288	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	1,864,325	1,801,717	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	595,391	433,411
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	126,858	135,232	46. Total Long-Term Debt (36 thru 45)	1,783,270	1,488,264
13. Nonregulated Investments	4,400,728	4,371,870	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	388,566	378,790	47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits	276,214	230,940
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	4,916,152	4,885,892	50. Total Other Liabilities and Deferred Credits (47 thru 49)	276,214	230,940
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	7,194,981	7,577,200	51. Cap. Stock Outstand. & Subscribed	50,000	50,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	323,561	322,515	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	6,233,303	6,372,069	55. Other Capital	515,689	515,689
23. Net Plant (18 thru 21 less 22)	1,285,239	1,527,646	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	4,330,373	4,632,995
			58. Total Equity (51 thru 57)	4,896,062	5,198,684
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
	8,065,716	8,215,255		8,065,716	8,215,255

Total Equity = 63.28% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		WA0541	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2015	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		185,015	197,205
2. Network Access Services Revenues		1,645,250	1,609,461
3. Long Distance Network Services Revenues			204,176
4. Carrier Billing and Collection Revenues		377	0
5. Miscellaneous Revenues		20,660	20,582
6. Uncollectible Revenues		(1,798)	(1,536)
7. Net Operating Revenues (1 thru 5 less 6)		1,853,100	2,032,960
8. Plant Specific Operations Expense		1,248,392	1,236,062
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		127,367	141,765
10. Depreciation Expense		373,431	265,637
11. Amortization Expense		6,560	6,560
12. Customer Operations Expense		657,386	647,884
13. Corporate Operations Expense		792,919	855,139
14. Total Operating Expenses (8 thru 13)		3,206,055	3,153,047
15. Operating Income or Margins (7 less 14)		(1,352,955)	(1,120,087)
16. Other Operating Income and Expenses			
17. State and Local Taxes		116,726	169,689
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)		116,726	169,689
21. Net Operating Income or Margins (15+16-20)		(1,469,681)	(1,289,776)
22. Interest on Funded Debt		74,505	65,565
23. Interest Expense - Capital Leases			
24. Other Interest Expense		4,880	6,744
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)		79,385	72,309
27. Nonoperating Net Income		13,146	10,563
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		1,861,557	2,078,439
31. Total Net Income or Margins (21+27+28+29+30-26)		325,637	726,917
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year		4,004,736	4,330,373
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			424,295
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		4,330,373	4,632,995
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		352,825	350,781
45. Cash Ratio [(14+20-10-11) / 7]		1.5880	1.5005
46. Operating Accrual Ratio [(14+20+26) / 7]		1.8359	1.6700
47. TIER [(31+26) / 26]		5.1020	11.0529
48. DSCR [(31+26+10+11) / 44]		2.2249	3.0544

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Union	19.50	16.00	161	606	767	119.35	22.30
MobileWireless					0		
Route Mileage Outside Exchange Area						358.34	271.34
Total			161	606	767	477.69	293.64
No. Exchanges	1						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Union	909	71	71	6,000	768	39.95	StandAlone	DSL
Total	909	71						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION WA0541 PERIOD ENDING December, 2015		
INSTRUCTIONS- See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
16	19	16	47.94	1.61	
PART E. TOLL DATA					
1. Study Area ID Code(s) a. 522419 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div> Interstate: <input type="checkbox"/> Average Schedule Intrastate: <input type="checkbox"/> Average Schedule </div> <div> <input checked="" type="checkbox"/> Cost Basis <input checked="" type="checkbox"/> Cost Basis </div> </div>			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					510
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					524,318
6. Salvaged Materials					9,355
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					534,183
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541 PERIOD ENDING December, 2015																																																						
PART H. CURRENT DEPRECIATION RATES																																																							
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)																																																							
<input checked="checked" type="checkbox"/> YES <input type="checkbox"/> NO																																																							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%; text-align: left;">EQUIPMENT CATEGORY</th> <th style="width: 30%; text-align: right;">DEPRECIATION RATE</th> </tr> </thead> <tbody> <tr><td>1. Land and support assets - Motor Vehicles</td><td style="text-align: right;">16.00%</td></tr> <tr><td>2. Land and support assets - Aircraft</td><td></td></tr> <tr><td>3. Land and support assets - Special purpose vehicles</td><td></td></tr> <tr><td>4. Land and support assets - Garage and other work equipment</td><td style="text-align: right;">16.00%</td></tr> <tr><td>5. Land and support assets - Buildings</td><td style="text-align: right;">4.00%</td></tr> <tr><td>6. Land and support assets - Furniture and Office equipment</td><td style="text-align: right;">17.50%</td></tr> <tr><td>7. Land and support assets - General purpose computers</td><td style="text-align: right;">25.00%</td></tr> <tr><td>8. Central Office Switching - Digital</td><td style="text-align: right;">9.59%</td></tr> <tr><td>9. Central Office Switching - Analog & Electro-mechanical</td><td></td></tr> <tr><td>10. Central Office Switching - Operator Systems</td><td></td></tr> <tr><td>11. Central Office Transmission - Radio Systems</td><td></td></tr> <tr><td>12. Central Office Transmission - Circuit equipment</td><td style="text-align: right;">11.19%</td></tr> <tr><td>13. Information origination/termination - Station apparatus</td><td></td></tr> <tr><td>14. Information origination/termination - Customer premises wiring</td><td></td></tr> <tr><td>15. Information origination/termination - Large private branch exchanges</td><td></td></tr> <tr><td>16. Information origination/termination - Public telephone terminal equipment</td><td></td></tr> <tr><td>17. Information origination/termination - Other terminal equipment</td><td></td></tr> <tr><td>18. Cable and wire facilities - Poles</td><td style="text-align: right;">7.59%</td></tr> <tr><td>19. Cable and wire facilities - Aerial cable - Metal</td><td style="text-align: right;">20.40%</td></tr> <tr><td>20. Cable and wire facilities - Aerial cable - Fiber</td><td style="text-align: right;">20.40%</td></tr> <tr><td>21. Cable and wire facilities - Underground cable - Metal</td><td style="text-align: right;">6.00%</td></tr> <tr><td>22. Cable and wire facilities - Underground cable - Fiber</td><td style="text-align: right;">5.00%</td></tr> <tr><td>23. Cable and wire facilities - Buried cable - Metal</td><td style="text-align: right;">6.00%</td></tr> <tr><td>24. Cable and wire facilities - Buried cable - Fiber</td><td style="text-align: right;">5.00%</td></tr> <tr><td>25. Cable and wire facilities - Conduit systems</td><td style="text-align: right;">4.35%</td></tr> <tr><td>26. Cable and wire facilities - Other</td><td></td></tr> </tbody> </table>		EQUIPMENT CATEGORY	DEPRECIATION RATE	1. Land and support assets - Motor Vehicles	16.00%	2. Land and support assets - Aircraft		3. Land and support assets - Special purpose vehicles		4. Land and support assets - Garage and other work equipment	16.00%	5. Land and support assets - Buildings	4.00%	6. Land and support assets - Furniture and Office equipment	17.50%	7. Land and support assets - General purpose computers	25.00%	8. Central Office Switching - Digital	9.59%	9. Central Office Switching - Analog & Electro-mechanical		10. Central Office Switching - Operator Systems		11. Central Office Transmission - Radio Systems		12. Central Office Transmission - Circuit equipment	11.19%	13. Information origination/termination - Station apparatus		14. Information origination/termination - Customer premises wiring		15. Information origination/termination - Large private branch exchanges		16. Information origination/termination - Public telephone terminal equipment		17. Information origination/termination - Other terminal equipment		18. Cable and wire facilities - Poles	7.59%	19. Cable and wire facilities - Aerial cable - Metal	20.40%	20. Cable and wire facilities - Aerial cable - Fiber	20.40%	21. Cable and wire facilities - Underground cable - Metal	6.00%	22. Cable and wire facilities - Underground cable - Fiber	5.00%	23. Cable and wire facilities - Buried cable - Metal	6.00%	24. Cable and wire facilities - Buried cable - Fiber	5.00%	25. Cable and wire facilities - Conduit systems	4.35%	26. Cable and wire facilities - Other	
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6. Land and support assets - Furniture and Office equipment	17.50%																																																						
7. Land and support assets - General purpose computers	25.00%																																																						
8. Central Office Switching - Digital	9.59%																																																						
9. Central Office Switching - Analog & Electro-mechanical																																																							
10. Central Office Switching - Operator Systems																																																							
11. Central Office Transmission - Radio Systems																																																							
12. Central Office Transmission - Circuit equipment	11.19%																																																						
13. Information origination/termination - Station apparatus																																																							
14. Information origination/termination - Customer premises wiring																																																							
15. Information origination/termination - Large private branch exchanges																																																							
16. Information origination/termination - Public telephone terminal equipment																																																							
17. Information origination/termination - Other terminal equipment																																																							
18. Cable and wire facilities - Poles	7.59%																																																						
19. Cable and wire facilities - Aerial cable - Metal	20.40%																																																						
20. Cable and wire facilities - Aerial cable - Fiber	20.40%																																																						
21. Cable and wire facilities - Underground cable - Metal	6.00%																																																						
22. Cable and wire facilities - Underground cable - Fiber	5.00%																																																						
23. Cable and wire facilities - Buried cable - Metal	6.00%																																																						
24. Cable and wire facilities - Buried cable - Fiber	5.00%																																																						
25. Cable and wire facilities - Conduit systems	4.35%																																																						
26. Cable and wire facilities - Other																																																							

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		WA0541	
		PERIOD ENDED	
INSTRUCTIONS – See help in the online application.		December, 2015	
PART I – STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		755,017	
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income		726,917	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3. Add: Depreciation		265,637	
4. Add: Amortization		6,560	
5. Other (Explain) Gain on sale of property and reclassification of depreciation, deposits, advances, etc		1,026,574	
Changes in Operating Assets and Liabilities			
6. Decrease/(Increase) in Accounts Receivable		55,962	
7. Decrease/(Increase) in Materials and Inventory		102,882	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(16,503)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		114,231	
11. Increase/(Decrease) in Advance Billings & Payments		0	
12. Increase/(Decrease) in Other Current Liabilities		59,072	
13. Net Cash Provided/(Used) by Operations		2,341,332	
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable		(200)	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		3,594	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(284,706)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		(45,274)	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0	
20. Less: Payment of Dividends		(424,295)	
21. Less: Patronage Capital Credits Retired		0	
22. Other (Explain) Reclassification of deposit, deferred credits, advances, etc.		116,175	
23. Net Cash Provided/(Used) by Financing Activities		(634,706)	
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)		(381,173)	
25. Other Long-Term Investments		20,484	
26. Other Noncurrent Assets & Jurisdictional Differences		9,776	
27. Other (Explain) Remove retirement from line 24, salvage, reclassification of depreciation, change due to parent, etc		(1,276,180)	
28. Net Cash Provided/(Used) by Investing Activities		(1,627,093)	
29. Net Increase/(Decrease) in Cash		79,533	
30. Ending Cash		834,550	

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
<p>Part C. 4. column 'E' the advertised upload speed is actually 1,000 Kbps not 768 Kbps. There was no option to select 1,000 Kbps, so chose the 768 Kbps option.</p>	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

<010>	Study Area Code	522419
<015>	Study Area Name	HOOG CANAL TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982461 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@bcc.net

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information _____

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information _____

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information _____

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer: ext.	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035> Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Johnson, Stone & Pagano, P.S.</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Johnson, Stone & Pagano, P.S.
Name of Reporting Carrier:	HOOD CANAL TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/27/2016
Printed name of Authorized Officer:	Richard Buechel
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	3608982481 ext.204
Study Area Code of Reporting Carrier:	522419 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	HOOD CANAL TEL CO
Name of Authorized Agent Firm:	Johnson, Stone & Pagano, P.S.
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/27/2016
Name of Authorized Agent Employee:	Jenifer Wasnock
Title or position of Authorized Agent or Employee of Agent	Consultant
Telephone number of Authorized Agent or Employee of Agent:	2535667070 ext.278
Study Area Code of Reporting Carrier:	522419 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

rbuechel@hcc.net

<702> Single State-wide Residential Local Service Charge

<703>

[illegible]

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
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[illegible]

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
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<010>	Study Area Code	522419
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<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net
<810>	Reporting Carrier	Hood Canal Telephone Co., Inc.
<811>	Holding Company	RJB Telecommunications Corp.
<812>	Operating Company	Hood Canal Telephone Co. Inc.

[illegible]